

# **Common PREP AER and Pipeline Mistakes: Tutorial**

# The Purpose of the Pipeline

- The pipeline is a crucial tool for a CS to justify when calls forward and obligations must be made for its program. FFP will draw upon this document to make monthly resource allocation decisions, relying on the arguments put forth by the PVO to advocate for funding when resources are scarce. Thus, it is particularly important that CSs explain and justify each requested call forward or support funds obligation.
- Cooperating Sponsors should complete the Commodity Pipeline and PVO Summary Sheet after completing the AER, as some fields will self-populate. After completing the AER, Cooperating Sponsors should first complete the Commodity Pipeline tab. This information is then carried over onto the PVO Summary Sheet, which should be completed last.

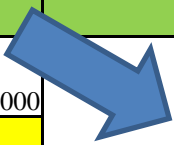
# The Top Row Of Boxes On The PVO Summary Sheet Should Reflect Currently Requested Levels

6		Commodities for Distribution	Monetization Proceeds	202(e)	ITSH
7	Approved Levels for FY2008	0 MT	0 MT	\$0	\$0
8			\$		



FFP requests that the Monetization Proceeds, 202(e) and ITSH figures entered in rows 7 and 8 be those requested in this PREP – to be obligated in a subsequent TA modification. The boxes in blue are automatically populated from the AER; please only fill in the white boxes identified.

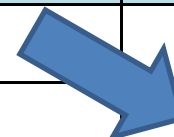
# Solid Justification Is Needed For Why A Call Forward Or Obligation Must Be Made At A Given Time

10		Commodities for Distribution	Monetization Funds	202(e)	ITSH	Justification for Resourcing of Obligations (call forwards and support funds)
11	September 2008					
12	Opening Stocks/ Levels	950	\$375,000	\$55,000	\$25,000	 <p>202(e) and ITSH funds are needed this month to avert pipeline breaks.</p>
13	Arrivals (MT, Sales proceeds, \$)	0	\$0	\$100,000	\$75,000	
14	Loans (In or Out)	0	\$0	\$0	\$0	
15	Planned Distribution/ Usage	220	\$150,000	\$50,000	\$15,000	
16	Closing stocks/ (Shortfall)	730	\$225,000	\$105,000	\$85,000	

For each month in which the PVO is requesting a call forward and/or obligation of support funds, that request must be justified in the box provided. The PVO should provide a strong rationale based on programmatic needs and logistical constraints. For further detail please see the Pipeline Instructions tab and the instructions box that appears when the mouse is moved over the justification box.

# PVOs Must Fill Out Estimated Time For Commodities To Arrive In Country Warehouse

77	September 2008				
78	Opening Stocks/ Levels	0	\$0	\$0	\$0
79	Arrivals (MT, Sales proceeds, \$)	0	\$0	\$0	\$0
80	Loans (In or Out)	0	\$0	\$0	\$0
81	Planned Distribution/ Usage	0	\$0	\$0	\$0
82	Closing stocks/ (Shortfall)	0	\$0	\$0	\$0
83	End of Balance FY2008 To Be Carried Over	0	\$0	\$0	\$0
84					
85	Estimated time for commodities to arrive in country warehouse:			0	Months



## Planned Calls Forward And Arrival Months Must Be Entered Into Commodity Pipeline

[illegible]

PVOs should indicate in the Commodity Pipeline both when they intend to make calls forward and when the commodities are expected to arrive. This should be based on the timeline provided in line 85, described previously.

## PVOs Should Identify To Which Fiscal Year Arriving Resources Are Attached

											REMARKS
16	November 2007										
17	Opening Stocks/ Levels	0	0	0	0	0	0	0	0	0	
18	MT Arrivals	0		0	0	0	0	0	0	0	
19	Loans (In or Out)	0	0	0	0	0	0	0	0	0	
20	Planned Distribution/Usage	0	0	0	0	0	0	0	0	0	
21	Closing stocks/ (Shortfall)	0	0	0	0	0	0	0	0	0	

520 MT of FY06 commodities, from the August call forward, are anticipated to arrive and will be utilized in FY07 activities.

As noted in the previous slide, commodities' anticipated arrival month should be indicated in the remarks section of the commodity pipeline. Please indicate in which fiscal year the call forward was made. This is to ensure reliable tracking: without this data it is unclear, e.g., whether commodities arriving in March 2008 were called forward in FY07 with a request for delayed shipping or whether they are FY08 resources.

# Other Points to Remember

- ✓ The ration calculator totals will not match the AER totals in the templates released for the PREP. This is an oversight on the part of FFP and will be corrected for MYAP submissions.
- ✓ In some circumstances the total MT request reflected in the AER (L31) does not equal the sum of each commodity request total (E31:K31). This is a rounding error on the part of FFP, again to be corrected in the revised template. Where they differ, the sum of the AER Line 10 totals for each commodity should be used in lieu of the Total figure in box L31.